

FISCAL NOTE
SB 1573 - HB 2148

April 3, 2007

SUMMARY OF BILL: Requires private and public entities within the state to provide strict protections on social security numbers.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$10,000,000

Increase Local Govt. Revenues – Not Significant

Increase Local Govt. Expenditures* – Exceeds \$5,000,000

Other Fiscal Impact – The restrictions on the use of social security numbers as provided by the bill could place a significant amount of federal funds to the state in jeopardy if the state can no longer use these numbers in the manner required to receive federal matching funds for a number of programs. In FY05-06, the state received \$8,732,759,600 from the federal government. If the state were to lose half of these funds due to non-compliance with federal regulations for programs receiving matching federal funds, the state could lose as much as \$4,366,380,000 in revenue.

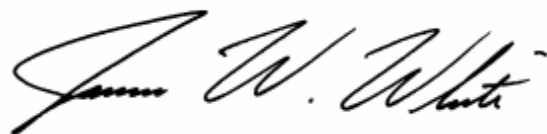
Assumptions:

- There will not be a sufficient number of misdemeanor prosecutions for local governments to experience a significant increase in revenues or expenditures.
- Computer systems changes will be required by the state to implement the provisions of the bill. This is estimated to result in an increase in state expenditures exceeding \$10,000,000.
- Computer systems changes will be required by local governments to implement the provisions of the bill. This is estimated to result in an increase in local government expenditures exceeding \$5,000,000.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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